

areit

Proposed Acquisition of Hyflux Building



14 March 2005



Agenda

- **The Property**
- **Impact on A-REIT**
 - **Pro forma Financial Effect**
 - **Portfolio Diversification**
 - **Property Yield**
- **Timetable for Completion**
- **Acquisition Summary**



Hyflux Building



Purchase price : S\$19.0 mil

Property yield : 8.0%

Valuation dated 1 Mar 2005 : S\$19.0 mil by Jones Lang LaSalle Consultants

Land area : 10,677 sqm

Title : 60-year lease from 16 Jan 81

GFA : 20,465 sqm

NLA : 16,980 sqm

Occupancy : 100%

Lease terms : 15 yrs with an option to renew for another 5 yrs; rent increases biennially in line with CPI

Outgoings : Hydrochem pays for land rent, property tax, maintenance, utilities and capex for M&E equipment; A-REIT pays for lease management fees

202 Kallang Bahru

Singapore 339339

An eight-storey light industrial building completed in the 1980s and a single-storey workshop with a mezzanine level completed in 2004.

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Distributable Income Per Unit ("DPU") Positive

The Property

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Timetable for
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Hyflux Building	DPU Impact*
DPU Impact (proforma annualised impact)	0.08 cents

Note:

*Assuming that the acquisition is fully funded by available bank debt facilities, and that A-REIT had purchased, held and operated the Property for the entire financial year ended 31 March 2004.



Agenda

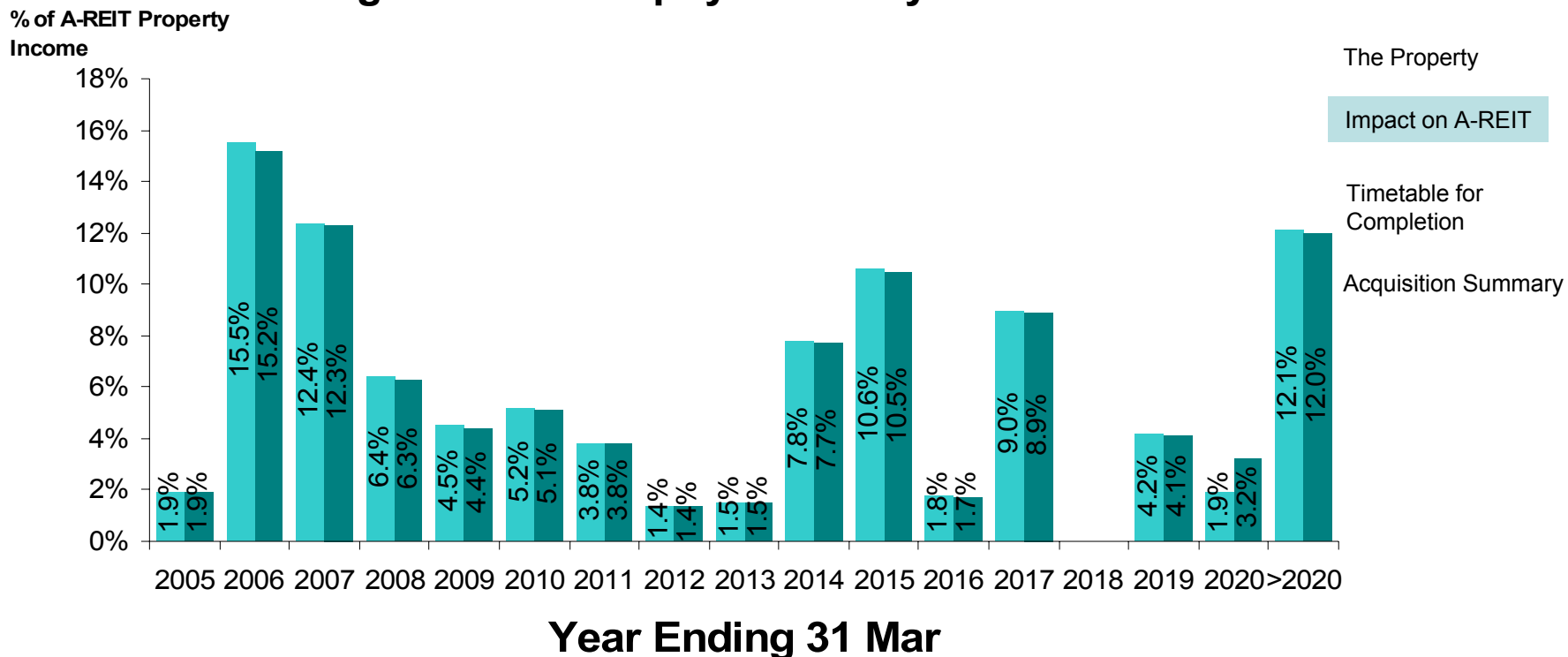
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A-REIT Weighted Lease Expiry Profile



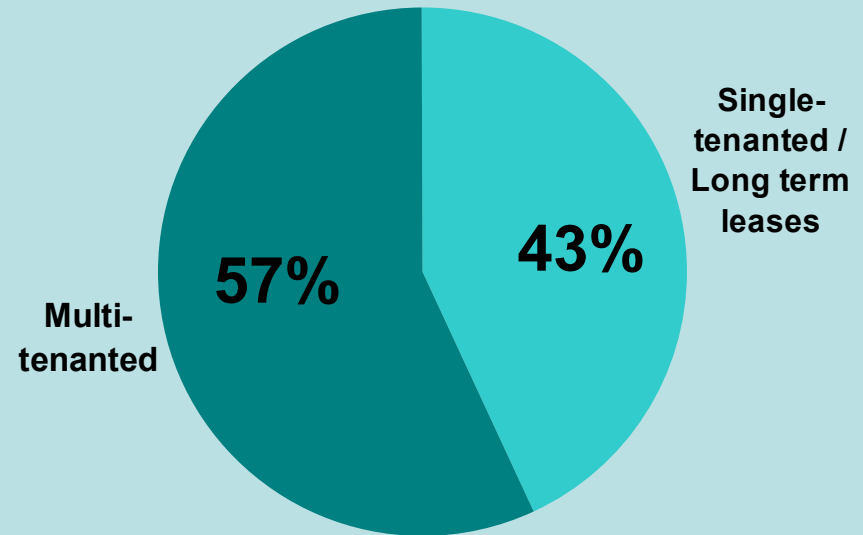
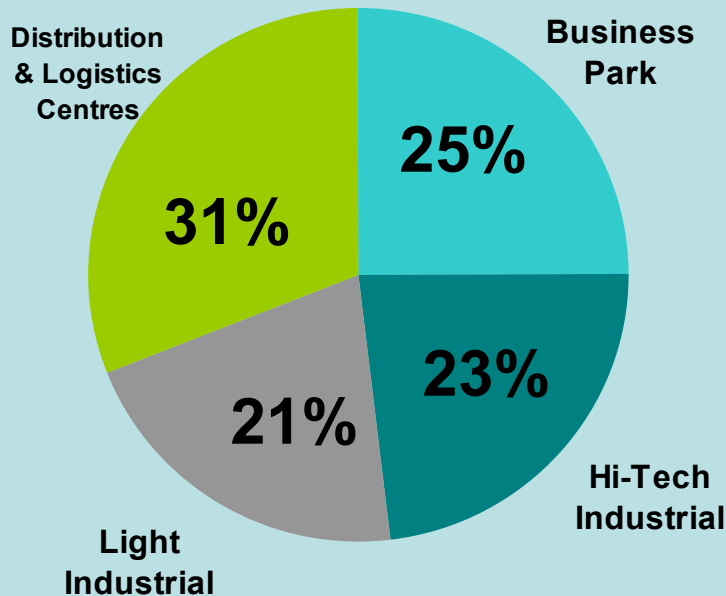
Weighted Lease Expiry Profile By Income



	Existing Properties (as at 2 Mar 05)	After Acquisition of Hyflux Building
Weighted Average Lease Term to Expiry	7.6 yrs	7.7 yrs

Asset Class Diversification and Mix of Sale-&-Leaseback vs Multi-tenanted by Portfolio Value

Portfolio mix remains unchanged after acquisition of Hyflux Building ⁽¹⁾



Notes:

(1) Based on 36 properties as at 2 Mar 2005 and Hyflux Building

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Yield-Accretive

<u>For Year One</u>	Hyflux Building (S\$ million)
Income	1.54
Property Expenses	0.03
Net Income	1.51
Yield Before Acquisition Costs (for year one)	8.0%

The Property

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Timetable for Completion

	Hyflux Building	The Property
March 2005	Signed Put and Call Option Agreement	Impact on A-REIT
April 2005 (expected)	<ul style="list-style-type: none"> • Exercise option • Execution of Sale and Purchase Agreement • Completion 	<div data-bbox="1638 525 1837 605" style="border: 1px solid black; background-color: #e0f2f1; padding: 2px;">Timetable for Completion</div> Acquisition Summary



Agenda

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- **Acquisitions Summary**



Acquisition Summary

- **Strategically located**
- **Diversifies property portfolio & tenant-mix**
- **Complements existing leasehold properties**
- **Yield-accretive**
- **DPU positive of 0.08 cents per unit***

The Property

Impact on A-REIT

Timetable for
Completion

Acquisition Summary

Note:

*Assuming that the acquisition is fully funded with available bank facilities, and that A-REIT had purchased, held and operated the Property for the entire financial year ended 31 March 2004.

- *The value of units in A-REIT (“Units”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.*
- *Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.*
- *The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.*

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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